

Message Text

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67

ACTION EB-11

INFO OCT-01 ARA-16 EA-11 ISO-00 AID-20 CIAE-00 COME-00

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10 SS-15

STR-08 CEA-02 L-03 AGR-20 H-03 IGA-02 DRC-01 /168 W

----- 017176

P R 042130Z OCT 73

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC PRIORITY 1148

INFO AMEMBASSY BRASILIA

AMEMBASSY JAKARTA

LIMITED OFFICIAL USE LA PAZ 6065

E. O. 11652: N/A

TAGS: ETRD, BL.

SUBJ: BOLIVIAN COTTON

REF: STATE 194164

1. DURING TWO DISCUSSIONS PL-480 TITLE I REQUIREMENTS ECONOFF
RAISED WITH MININD/COM COTTON CONTRACT ISSUE, EMPHASIZING
IMPORTANCE EARLY RESOLUTION PROBLEM LEST USG-GOB RELATIONS
SUFFER AS WELL AS FABRIC OF INTERNATIONAL COTTON TRADE
AND FUTURES MARKET. MINISTER REPLIED, WITH SOME ANNOYANCE,
THAT FUTURES CONTRACTS WERE NOT VALID BECAUSE CONFIRMED
LETTERS OF CREDIT WERE NOT OPENED WITHIN PERIOD SPECIFIED
BY CONTRACTS AND THAT GOB DECREES, THEREFORE, DID NOT
HAVE RETROACTIVE EFFECT. CLAIMED MATTER WAS NOW BEFORE
COURTS AND, THEREFORE, USG INTERVENTION IN MATTER NOT
APPROPRIATE AND IS INFRINGEMENT BOLIVIAN SOVEREIGNTY.

2. SAID ADEPA (COTTON GROWERS ASSOCIATION) THROUGH LA PAZ
LAWYER, RENE ZALLES, HAD BROUGHT CASE BEFORE LA PAZ COURT,
CHARGING THAT A) COOK AND RALLI FAILED TO MEET TERMS OF
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CONTRACT, I.E., OPEN LETTERS OF CREDIT IN TIME PRESCRIBED,

AND B) FOMENTO INDUSTRIAL Y COMERCIAL, S.A. (COOK) CONTRACT NOT LEGAL BECAUSE FOMENTO INDUSTRIAL Y COMERCIAL NOT LEGALLY CONSTITUTED FIRM IN PANAMA BECAUSE IT IS NOT REGISTERED. MININD/COM CHARACTERIZED FOMENTO INDUSTRIAL Y COMERCIAL AS A FICTITIOUS FIRM ESTABLISHED TO EVADE U.S. TAXES.

3. ECONOFF REPLIED THAT ACCORDING OUR INFO L/C'S WERE OPENED WITHIN PRESCRIBED PERIOD THOUGH WE DID NOT YET HAVE COPIES OF L/C'S. ALSO SAID ACCORDING OUR INFO SOME 7,000 BALES OF COTTON WERE SHIPPED BY ADEPA UNDER COOK CONTRACT WHICH MIGHT BE TAKEN AS EVIDENCE THAT ADEPA REGARDING CONTRACT VALID. MININD/COM IMMEDIATELY CLAIMED ADEPA HAD NOT SHIPPED ANY COTTON UNDER COOK CONTRACT.

4. ECONOFF SAID WISHED EMPHASIZE THAT USG CANNOT COMPROMISE ON PRINCIPLE OF SANCTITY OF ANY CONTRACTS LAWFULLY ENTERED INTO IN GOOD FAITH BY COOK AND, SPECIFICALLY, COULD NOT ENTER INTO ANY RENOGIATION OF PRICE OR OTHER ASPECTS OF CONTRACT AS THIS WAS MATTER BETWEEN COOK AND ADEPA. MININD/COM SAID HE UNDERSTOOD THIS POINT.

5. ADEPA HAS CHARGED IN LETTER TO AMBASSADOR THAT L/C'S NOT OPENED IN ACCORDANCE WITH CONTRACT.

6. LA PAZ BANK OF AMERIACA MANAGER HAD NOT HEARD OF COURT CASE BEING BROUGHT BY ADEPA. HIS SANTA CRUZ MANAGER IS BRINGING COPIES OF L/C'S TO LA PAZ OCTOBER 5. HE REPORTS DEADLINE ON OPENING L/C'S UNDER INDONESIAN CONTRACT IS OCTOBER 4.
STEDMAN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COTTON, CONTRACTS
Control Number: n/a
Copy: SINGLE
Draft Date: 04 OCT 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973LAPAZ06065
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: LA PAZ
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731051/aaaablmy.tel
Line Count: 91
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Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Handling Restrictions: n/a
Reference: STATE 194164
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
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Review Event:
Review Exemptions: n/a
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Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

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Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
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TAGS: ETRD, BL, US
To: STATE
Type: TE
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